

EXHIBIT 7

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,)
Plaintiff,)
v.) Case No.
BARRY C. HONIG, ROBERT LADD, ELLIOT) 18 Civ. 8175(ER)
MAZA, BRIAN KELLER, JOHN H. FORD,)
GRQ CONSULTANTS, INC., AND HS)
CONTRARIAN INVESTMENTS, LLC,)
Defendants.)
_____)

VOLUME 1
VIDEOTAPED DEPOSITION OF JAY KAPLOWITZ
VIA VIDEOCONFERENCE
Tuesday, June 14, 2022

Diversified Reporting Services, Inc.
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Page 16

1 Q Just to be clear, I think you said you would
2 consider investors who own more than 5 percent. Do you
3 look to see whether there are investors who own less
4 than 5percent, accumulatively own more than 5 percent
5 in considering this issue?

6 A Yeah. Yes, sir. Yes, of course. But I --

7 Q Let me ask you just one hypothetical
8 question. If you determine that there's more than one
9 investor in a company that have agreed together to
10 purchase securities of companies together and together
11 they would total more than 5 percent, in your
12 understanding of Section 13, is that sufficient to
13 trigger the disclosure requirement, the 5 percent
14 disclosure requirement as a group?

15 A You know, that's a hypothetical question and
16 I think it would depend on circumstances. So I would
17 say I'd have to look at the circumstances.

18 Q So just so I'm clear on your answer and I'm
19 not trying to -- none of this is any attempt to put
20 any words in your mouth, it could be sufficient that
21 the fact alone is that more than one person has
22 decided to acquire shares together, that could be, in
23 certain circumstances, sufficient to trigger the group
24 5 percent disclosure requirement?

25 A So you're saying it could be that that's

1 certain people agreed among themselves to acquire
2 shares together? Is that what you're asking?

3 Q Yes. And that's all you know. What I'm
4 asking is are there circumstances where that could be
5 sufficient, in your opinion, to trigger the disclosure
6 requirement if together their ownership adds up to
7 over 5 percent?

8 A I think I'd have to know something more than
9 that. I think I'd have to know what their
10 relationships were; if they had any prior
11 understanding.

12 Q And what do you mean by that?

13 A If they agreed to vote together.

14 Q Anything else? I mean, and, you know, I
15 understand that you don't have the Rule in front of
16 you and you're thinking about it now, but I'm just
17 curious what your understanding is. Anything other
18 than that, voting together?

19 A Well, voting together, acting in concert,
20 basically when I look back, it's something that I
21 don't do on a day-to-day basis. That issue at our
22 firm is handled by other people. They would consult
23 with me if it was my client and I would ask the
24 question initially if it was my client, which I did,
25 but I don't really get into the weeds as you say.

1 Q Who are the people at your firm who -- and,
2 again, I don't mean to put words in your mouth, who,
3 it sounds like you're saying, have more expertise on
4 this group issue?

5 A Oh, I don't know that they have more
6 expertise, but they could drill down on it and they
7 would be some of our associates or other partners.

8 Q Let's go back to 2015 and who would those
9 people have been in 2015?

10 A You know, that's something I really don't
11 have on my fingertips. I would say that it would
12 likely include Harvey Kesner.

13 Q And, okay, let me not put a time limit on
14 it, if it's hard to kind of remember seven years ago.
15 Other than Mr. Kesner, who else at your firm has that
16 kind of drilldown ability on the group issue on
17 Section 13D?

18 A I don't remember who was staffing things at
19 that point, but I assume that there were associates
20 that had it, or other partners that had it.

21 Q Well, today? As of today, who else?

22 A As of today?

23 Q Yeah.

24 A Yeah, I think Arthur Marcus might; Avital
25 Perlman might.

1 Q Can you tell me what that is showing or what
2 it's purporting to show?

3 A Assume it's showing all this other that hold
4 more than 5 percent.

5 Q And do you know where that information came
6 from?

7 A No.

8 Q Were you involved at all in making this
9 determination of 5 percent beneficial owners of MGT
10 stock for this S-1?

11 A I don't recall.

12 Q Was Sichenzia in general involved in that
13 determination in creating that table?

14 A I don't recall.

15 Q Did you have any discussion with anyone or
16 did Sichenzia have any communication with anyone at
17 MGT about this particular issue, the 5 percent
18 beneficial owners of MGT stock that's listed here?

19 A I don't recall.

20 Q Did you ever consider -- with respect to the
21 5 percent beneficial owners listed here, did you ever
22 consider whether any other investors -- I'm sorry, any
23 other of the selling shareholders cumulatively
24 constituted a group that held more than 5 percent or
25 that should have been included along with Barry Honig

1 **as a group under 13D in this listing of 5 percent**
2 **shareholders of MGT?**

3 A I don't recall what I did or didn't consider
4 at the time. It was quite a while ago. I'm sure that
5 we discussed it and did a good job, but I don't recall
6 what we considered.

7 Q **When you say you're "sure we discussed it,"**
8 **who is the "we" that you're talking about?**

9 A People working on it. You know, myself,
10 Tara, Rob Ladd, working on whoever was involved.

11 Q **Can you recall anything about those**
12 **discussions at all?**

13 A No. No, about who the 5 percent of
14 shareholders were. I don't know discussions.

15 Q **Do you recall any questions that Mr. Ladd**
16 **may have asked about that topic?**

17 A No.

18 Q **Do you recall how many -- let me ask you**
19 **this. How many such discussions were there about this**
20 **topic, for the purpose of the Form S-1?**

21 MR. RASTOGI: I'm going to object to form.

22 Q **Do you understand the question?**

23 A I understand the question, but with all due
24 respect, it's an absurd question. How do I remember
25 how many discussions we had about a narrow point?

1 selling shareholders on the 2015 S-1, do you recall
2 them ever selling stock in MGT after the promotional
3 piece came out?

4 Do you recall anything like that?

5 A I do not.

6 Q I'm sorry. You do not?

7 A I do not. Right.

8 Q If you had been aware of that activity or
9 promotional piece coming out that Mr. Honig had asked
10 MGT to pay for and then after that, the stock rising,
11 Mr. Honig and some of his other group of investors
12 selling stock, is that information that you would have
13 wanted to know or would have been a factor in
14 determining whether Mr. Honig was acting as a group
15 with others for 13(d) purposes?

16 MR. RASTOGI: Objection, form.

17 A Now what?

18 Q I'm sorry.

19 MR. RASTOGI: I'm sorry, Mr. Kaplowitz. If
20 I object to form, it's just for the record. I'm not
21 instructing you not to answer so after I say -- I say
22 it, I'm going to be quiet and then you can answer the
23 question if you're able to.

24 A Okay. So let me see if I remember the
25 question. The question was about selling stock after